



## **IRISH LIFE WEEKLY INVESTMENT BULLETIN**

***The week that was – WEEK 14 (ending 01/04/2016)***

**"Any fool can turn a blind eye but who knows what the ostrich sees in the sand." – Samuel Beckett**

**2016 Irish economic growth revised upwards by Central Bank** – The Central Bank of Ireland has revised its growth forecast upwards for the Irish economy for 2016 from 4.8% to 5.1% "on the back of exceptionally strong rates of growth in domestic demand". However it has revised 2017 growth down to 4.2% from 4.4%.

**Over €0.5 billion in Irish deposits withdrawn in February amid the drop in returns** – The latest private sector credit figures from the Central Bank show that consumers withdrew €541m in deposits in February with returns plummeting. However, the value of annual savings rose to €94.9 billion, up by 2.7% in the year.

**Fed Chief's cautious tone on U.S. interest rate rise** – Market sentiment received an unexpected uplift following Janet Yellen's heavily cautious comments which reduced expectations of a rate rise in April. Yellen's views were echoed by Chicago Fed President Charles Evans, who was sceptical on raising rates in April.

**Global stock market up 0.5% during the week** – Markets moved higher during the week with the MSCI World Index up 0.5% from 28<sup>th</sup> March to 1<sup>st</sup> April, with one of the notable exceptions being Japan with a fall of 5.7% during the same period. The Nasdaq Composite Index was up 3.1% and the U.S. S&P 500 rose 1.8%.

**Japan's manufacturing activity drops** – Concerns that Japan, the world's third-biggest economy, is slipping into recession grew with data pointing to a slowdown in its manufacturing sector. The Markit/Nikkei Final Japan Manufacturing Purchasing Managers' Index dropped to 49.1, the sharpest decline since February 2013.

**Osborne warns against EU 'Brexit'** – Latest data showing Britain's current account deficit widened to a record high at the end of last year and that consumer confidence remained stuck at its lowest level in more than a year led to Finance Minister George Osborne warning of the importance of Britain staying in the EU.

**The Story of the week:** A British pensioner holidaymaker, Susan Brown, 65, tried to swim to her cruise liner when it left port. She swam 1,600ft out to sea in the hope of making it to her ship, the Marco Polo, after a row with her husband. She used her handbag as a buoyancy aid during her four hours stranded in waters beside Madeira Airport.

### **DISCLOSURE:-**

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## Index Performances and Market Data\*

<b>Equity Markets % (in Local Currency)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD (to 01/04)</b>
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-6.8
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	-0.4
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-9.4
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	2.0
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	-1.8
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-15.1
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	1.5
MSCI World	-7.6	13.1	26.2	7.7	0.2	-2.7
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
U.S.	1.9	1.7	3.0	2.2	2.2	1.8
German	1.8	1.4	1.9	0.5	0.6	0.1
UK	2.0	1.9	3.0	1.9	1.9	1.4
Japan	1.0	0.7	0.7	0.3	0.2	-0.1
Ireland	8.4	4.5	3.4	1.3	1.1	0.7
Italy	7.1	4.6	4.1	2.1	1.6	1.2
Greece	31.7	12.7	8.2	9.6	7.9	8.3
Portugal	13.4	6.9	6.1	2.7	2.5	2.9
Spain	5.1	5.4	4.1	1.6	1.7	1.4
<b>Central Bank Rates (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
<b>Foreign Exchange Rates</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.14
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.80
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.42
<b>IPD All Property Return (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Ireland	-2.4	-2.4	3.1	12.7	40.1	25.0 (to end of Q4)
U.K.	14.5	8.1	2.7	10.7	17.8	13.1 (to end of Q4)
U.S.	14.8	14.5	5.3	11.4	11.2	12.1 (to end of Q4)

\*Past performance is not a reliable guide to future performance